APPENDIX

SUMMARY OF EVIDENCE WITH REFERENCE TO THE FALSITY OF THE REPRESENTATIONS CONCERNING THE VALUE OF THE LANDS IN QUESTION AND THE PETITIONER'S RESPONSIBILITY FOR THESE REPRESENTATIONS

Lands were sold by the defendants for approximately $10 per acre (R. 109, 137, 245, 309, 437). The defendants induced various persons to purchase these lands by false representations and promises concerning the valuable investment these lands would constitute (R. 116, 121, 265, 214), the possibility of discovering oil, gas and other minerals in paying quantities (R. 152, 155, 157, 245–248, 276), the utility of the lands for the growing of various fruits and other crops (R. 119, 121, 148, 156, 170, 201, 310), and the prospect of enormous profits to be made by those who purchased the lands (R. 148, 161, 175, 246, 265–266).

That these representations were highly distorted and false is apparent from the evidence. It was shown that much of the land sold by the defendants was purchased for $0.75 and $1.15 an acre (R. 338, 340, 358); that it was worth no more (R. 358); that nothing had transpired in either of the counties where the land was located as to give it a prospective value of $10 per acre (R. 362, 529); that no commercially producing oil wells had been discovered in these counties (R. 356, 372–373, 380, 394); that as to some of the tracts sold (R. 260–263, 281–

285, 308) the mineral rights therein had long before been reserved exclusively to the State of Texas (R. 343–345, 349); and that the lands had little utility for the growing of fruit or any other agricultural products (R. 379, 399, 415, 528).

With reference to the petitioner's responsibility for the alleged misrepresentations, the record discloses that the petitioner prepared and furnished to all of his agents, including his codefendant, Summerfield, a prospectus which contained representations similar to those made by Summerfield and the other agents (R. 455, 458–475); that Summerfield was designated by the petitioner himself as his "good will ambassador" and "country wide representative" (R. 528–529); and that petitioner wrote to persons who had purchased lands from him advising that personal visits which he had planned would be made instead by Summerfield, who would discuss with the purchasers the various phases of their land investments (R. 159, 252). The petitioner himself wrote many letters to purchasers and prospective purchasers and these, as well as the prospectus which he prepared, contained numerous glaring and extravagant representations concerning the lands (R. 114–117, 154, 214, 219, 250, 269, 458–475).

U. S. GOVERNMENT PRINTING OFFICE: 1940